



Oregon Health Plan 101

Oregon Health Fund Board

Meeting

January 15, 2008



How was it before the Oregon Health Plan?

Public Medicaid coverage only if you fit into a “categorical” population:

- Persons with disabilities
- Elderly
- Some children and pregnant women
- Those receiving cash assistance from state

Private coverage via employer or individually-purchased

Oregon Health Plan: Policy Framework

- Transplant controversy started the debate
- ***“More Noses under the Tent” Discussion***
Cover more people for carefully selected health services that support population health rather than creating richer benefit packages for persons already having coverage.

Goals of the Oregon Health Plan

- Health care for the uninsured
- Basic benefit package of effective services
- Broad participation by providers
- Decrease cost shifting & charity care
- A rational process for making decisions on how to allocate resources for health care

Original OHP Timeline

- 1987 – citizens agreed upon a common objective: Keep Oregonians Healthy
- 1989 – Series of laws passed known as the “Oregon Health Plan” – both public and private insurance reforms
- 1994 – Expanded Medicaid for all Oregonians under 100% Fed. Poverty Level

The Original Oregon Health Plan

- Public Programs
 - Medicaid to 100 % FPL
 - In 1996 - added State Children's Health Insurance Program (SCHIP)
- Private Market Programs
 - Employer Mandate (Never implemented)
 - Insurance Market Reforms
 - High Risk Pool (Oregon Med. Insurance Pool/OMIP)
 - Insurance Subsidies (Family Health Insurance Assistance Program or FHIAP)

Prioritization of Health Services - Tradeoffs

- Focused on effectiveness and prevention
- Resource allocation decisions must be made by the legislature.
- Health care resource allocation in the context of all other state needs: education, public safety

Changed the Question:

Who is covered

to What is covered



Prioritized List of Health Services

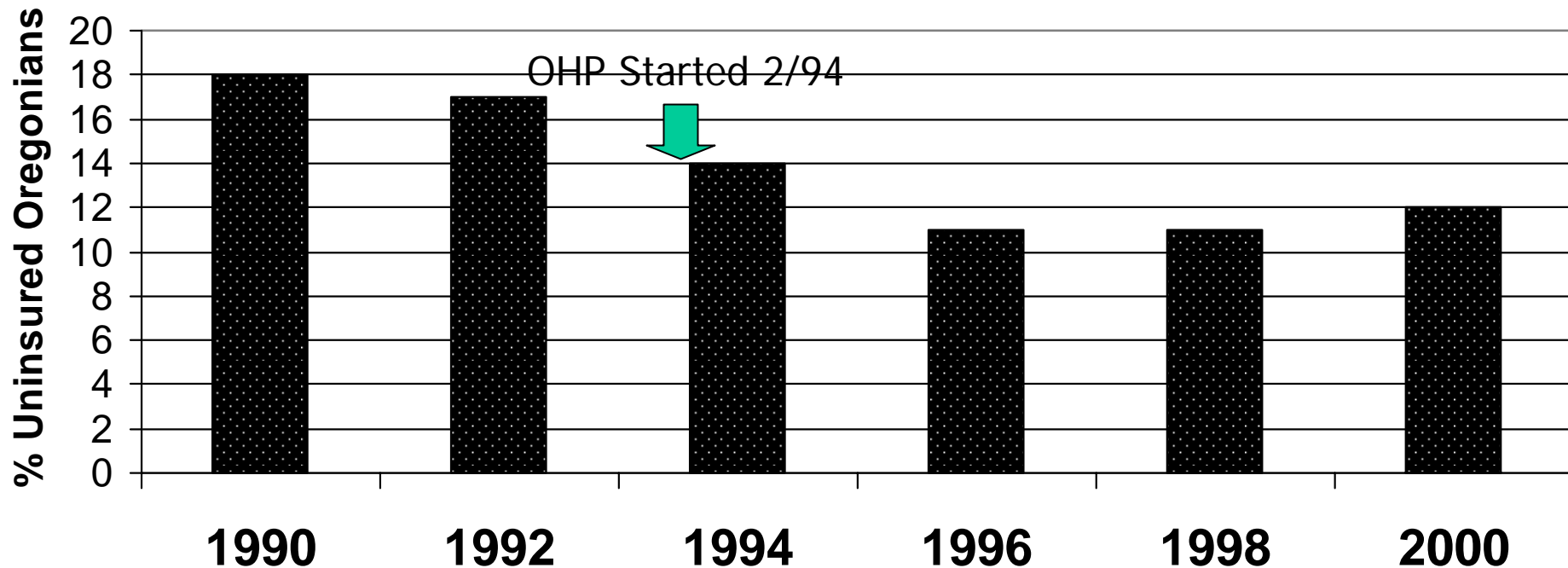
- Developed and maintained by the 11-member volunteer Health Services Commission (HSC)
- Condition/treatment pairs of services ordered according to clinical evidence of effectiveness and public values, updated every legislative session
- Actuaries determine the cost to provide services on the list
- Legislature decides how much of the List to cover, subject to federal approval
- Can only fund services in numerical order, can't rearrange the order of the List.

General criteria to rank services on the Prioritized List

- Everyone entitled to get a diagnosis
- Services that help prevent illnesses are higher on the list than services which treat the illness after it occurs
 - Maternity care
 - Preventive services
 - Recently, also ranking management of chronic disease higher than in initial List
- Services are ranked lower if:
 - Get better on their own or can do effective home care
 - Primarily cosmetic in nature
 - Have no effective treatments

Uninsurance Remained

Despite the success of the original Oregon health plan, 12% of Oregonians remained uninsured by 2000



2002 - 2003

OHP2 Waiver: Restructuring OHP

- Aimed to extend access up to 185% of federal poverty level so can cover more people
(Achieved for FHIAP but only for kids and pregnant women in OHP)
- Benefits and cost sharing adjusted for adult expansion (OHP Standard) population to try and afford to cover more lives
- Built on private insurance system with *public-private partnership* by getting federal match for FHIAP

Budget crisis hit – Recession impacts OHP2

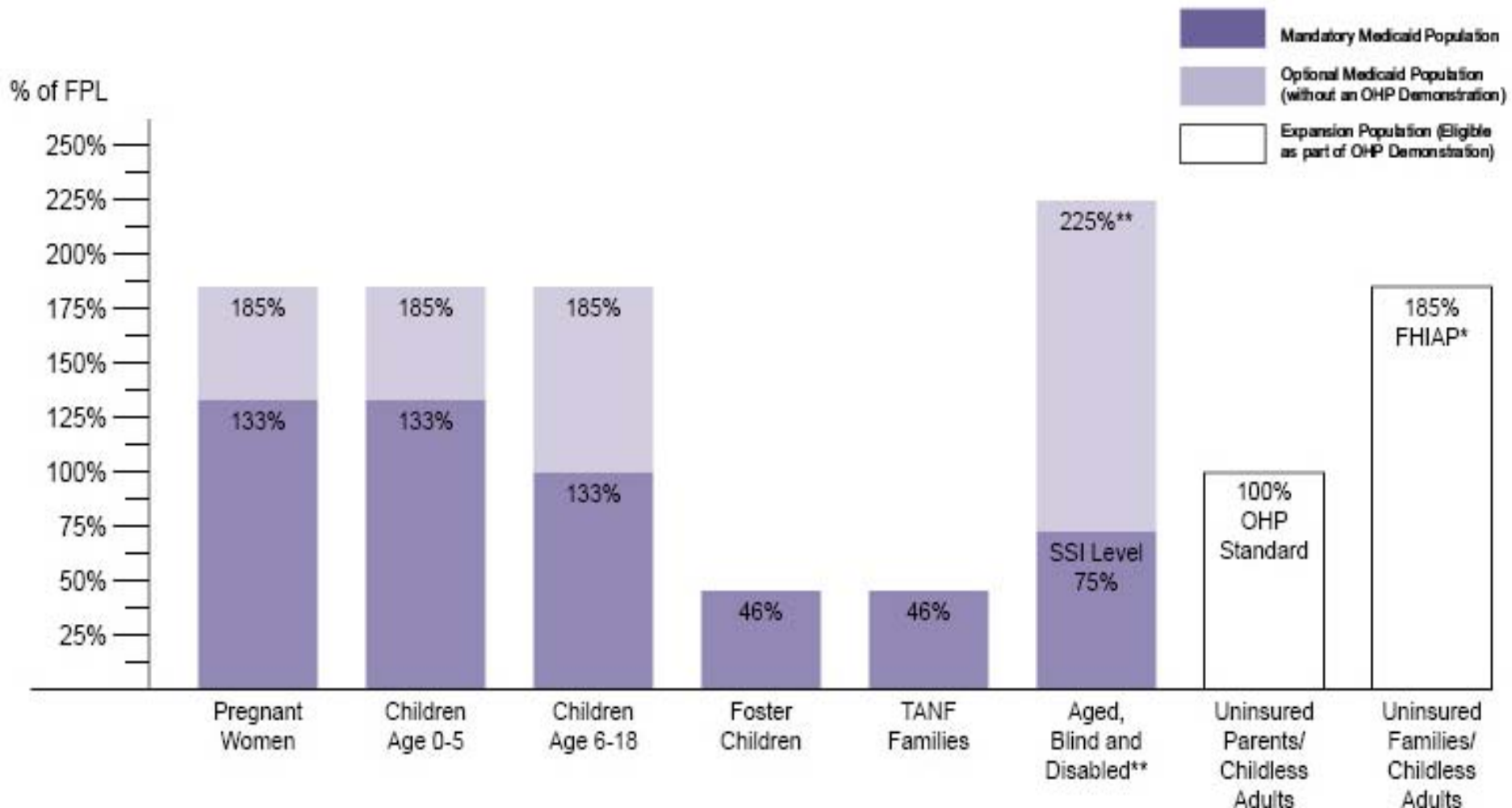
- Oregon struggled with high unemployment and budget deficits as OHP2 changes were implemented
- State funding for adult expansion population (OHP Standard) cut, partially made up by taxes on hospitals and managed care plans
- Resulted in deeper benefit cuts and loss of ~80,000 adults without coverage in OHP Standard

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So where is the Oregon Health Plan today?

Update from Oregon's Division of
Medical Assistance, Dept of Human
Services

Eligibility groups by Federal Poverty Levels (FPL) for the Oregon Health Plan



400,000 in Oregon's Medicaid and SCHIP Programs

OHP Plus: About 350,000 – includes:

- Pregnant women, children under 19, foster children, people who are blind and people who have disabilities.
- Over half—60 percent—are under age 19.

OHP Standard: About 17,900 clients

- Parents and childless adults under 100% FPL
- Been closed to new enrollment since July 2004.
- Due to open late Jan through February via a lottery
- Can only afford approx. 24,000 due to funding restraints

Other OHP programs

- ***Other OHP programs:*** About 29,000 clients are covered :
 - Qualified Medicare Beneficiaries (QMB) benefit package – 12,600
 - Breast and Cervical Cancer Program (BCCP) – 330
 - Citizen Alien Waived Emergency Medical (CAWEM) benefit package (Emergency Services only) - 16,000

OHP clients as a percentage of the projected population per Oregon county - 2006



Legend



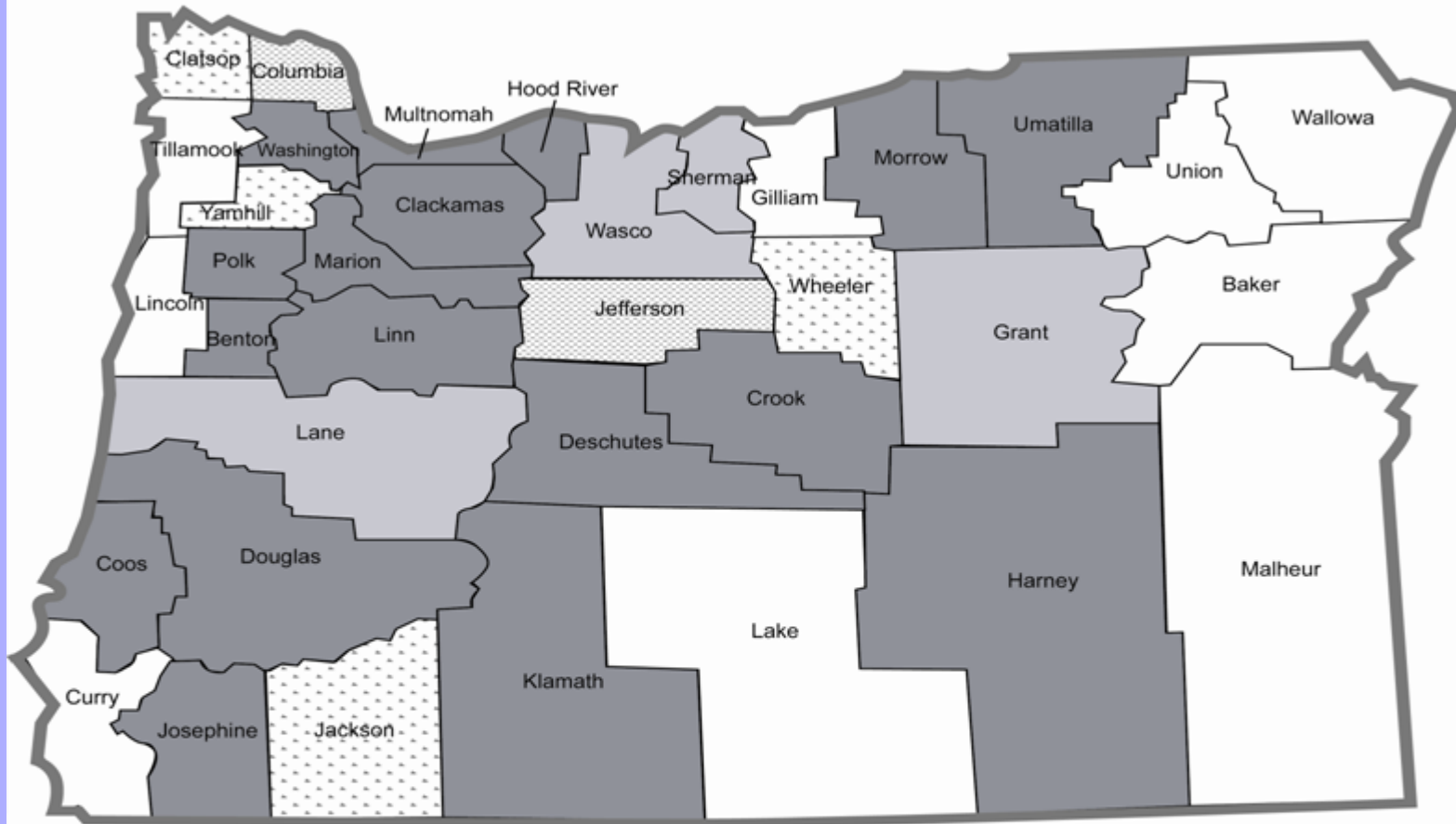
Managed Care in OHP

- Approx. 78 percent of OHP clients are enrolled in medical managed care, with a current goal of 80 percent.
- Over 93 percent of OHP clients are enrolled in dental and in mental health managed care.
- Managed care enrollment gives clients
 - providing better access to needed health services,
 - coordinated care
 - a delivery system focused on quality improvement.

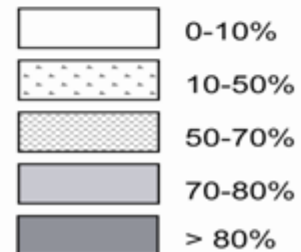
Managed Care and OHP

- The state has contracts with:
 - 14 Fully Capitated Health Plans (physical health) (FCHPs)
 - 1 Physician Care Organization (physical health) (PCO)
 - 7 Dental Care Organizations (DHOs)
 - 9 Mental Health Organizations (MHOs)
 - 1 Chemical Dependency Organization (CDO)
- Each contracted organization receive a monthly capitation payment for each enrolled client.
- Clients not enrolled in managed care receive services on a Fee-for-Service (FFS) arrangement – providers bill the state directly for their services based on a set fee schedule
- Some providers receiving FFS also get a a case management fee (in areas where there are no managed care plans)

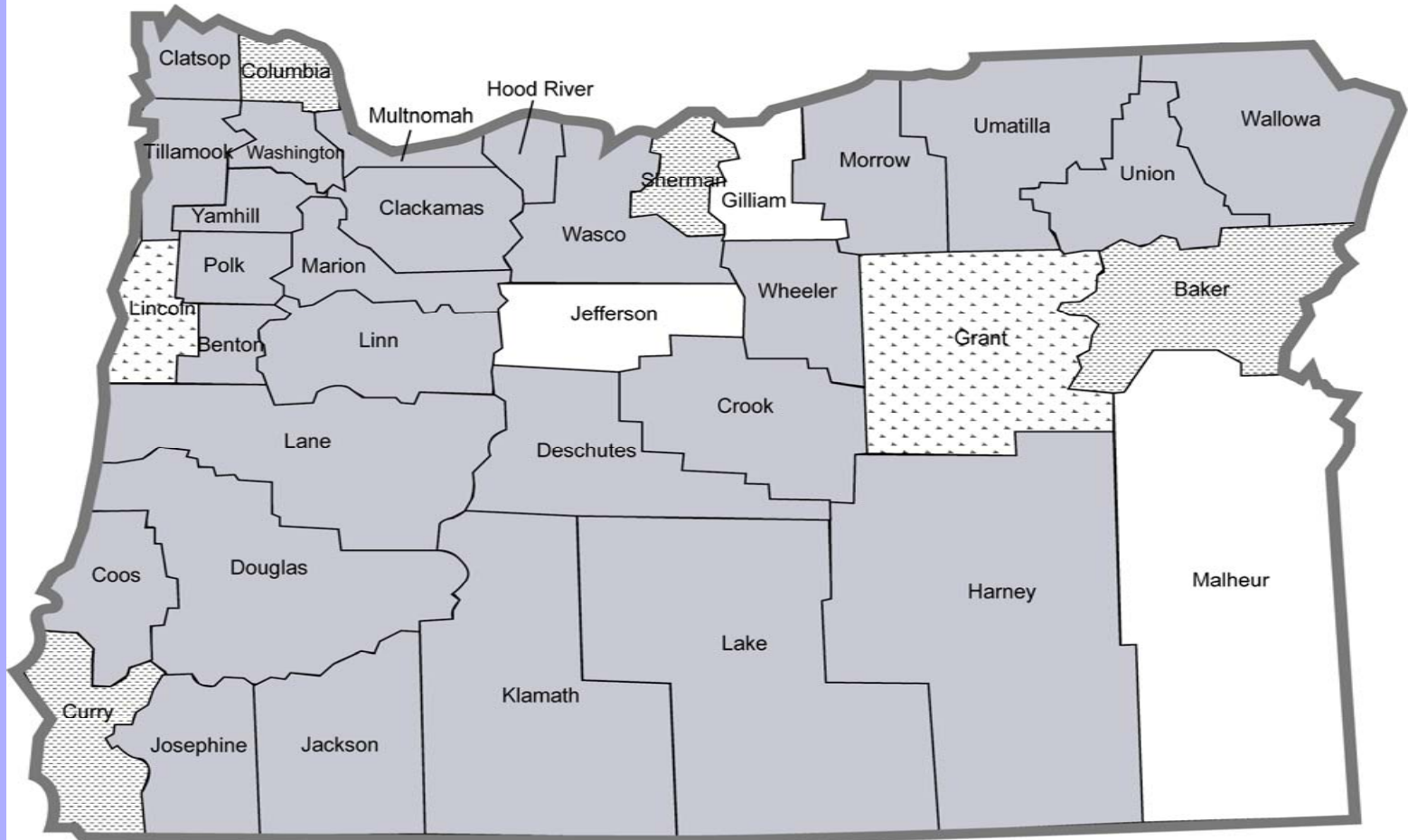
Percentage of OHP clients enrolled in an FCHP or PCO – December 2006



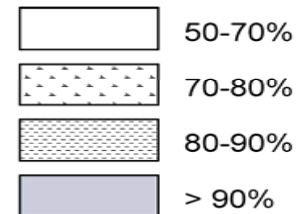
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Percentage of OHP clients enrolled in Dental Care Organizations – December 2006



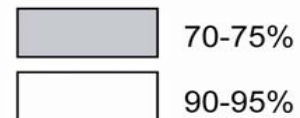
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Percentage of OHP clients enrolled in an MHO – December 2006



Legend



Outcomes of OHP

- Over 1.7 million people have had their health care covered by OHP since it began in 1994
- Nearly one in three of all Oregonians have been on OHP at some point in their lives.
- Approximately 44 percent of Oregon's births in 2004 were covered under OHP.
- Today, OHP is the health insurance provider for 12 percent of all Oregonians and almost one-fourth of all Oregon children.
- In a May 2004 survey, approximately 84 percent of OHP clients rated their overall health care positively, which has been a consistent trend over the past five years.

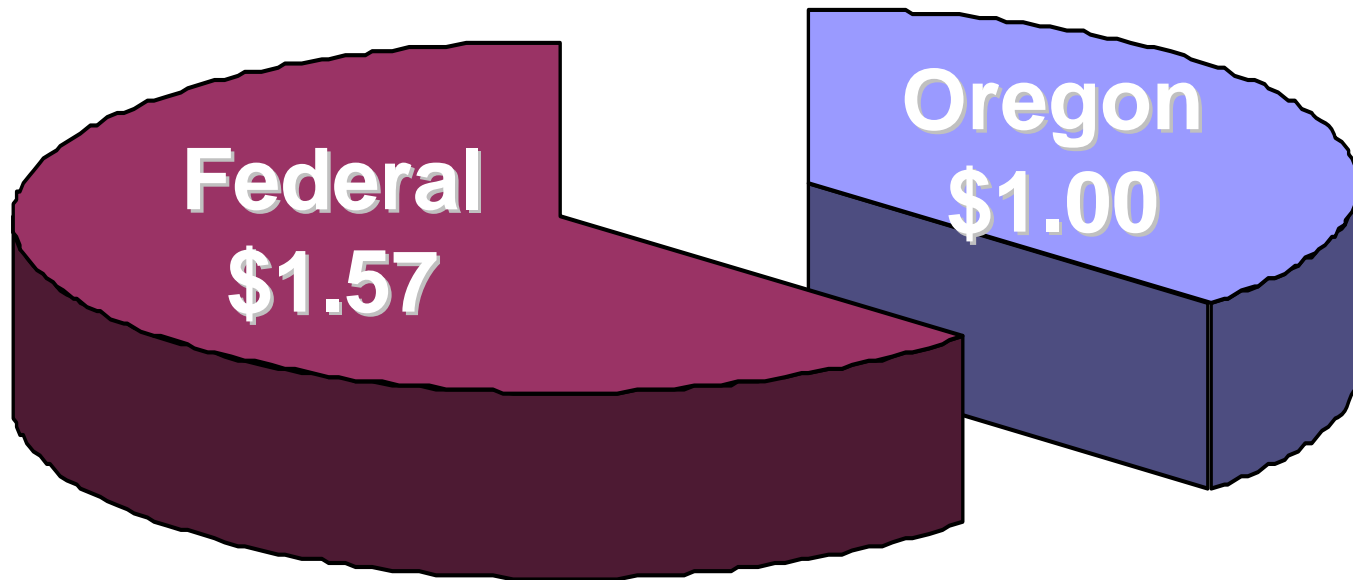
Cost and Efficiency in OHP

Oregon ranks 44th in Medicaid expenditures per eligible individual due to:

- Defined benefit levels
- Payment rates
- Delivery System efficiencies
 - Managed care plans
 - The Prioritized List of Health Services.
- About 98 percent of the DMAP budget goes directly to provision of health care services.

Medicaid State/Federal Partnership

Joint Oregon / Federal Funding

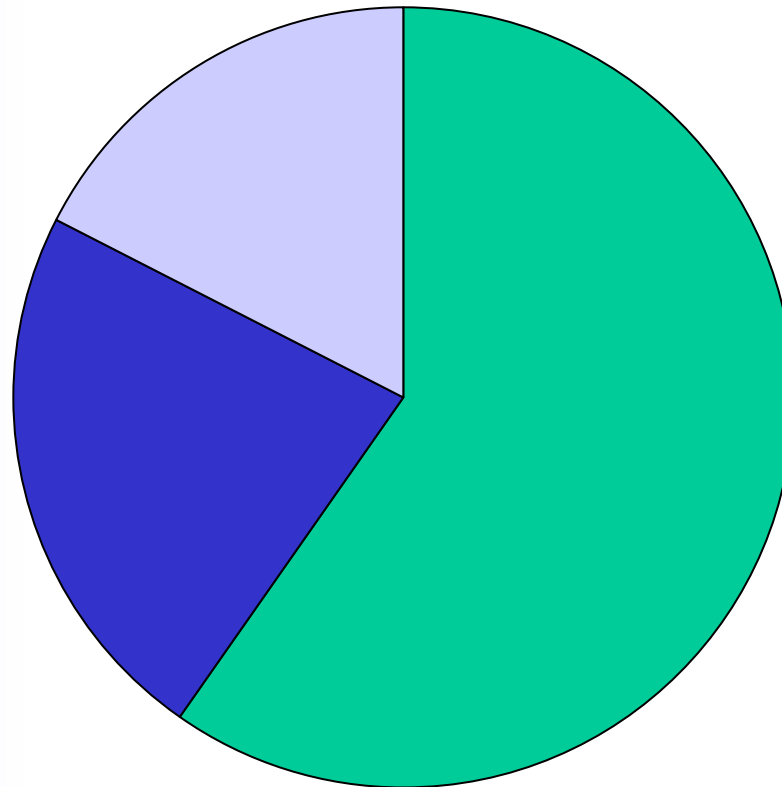


Annual Medicaid Expenditures per Eligible, 2003 (Western States)

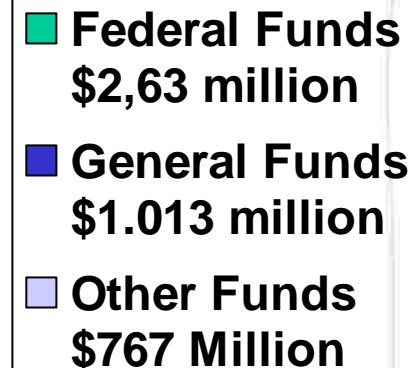
| State | Ranking | Spending |
|---------------|-----------|----------------|
| U.S. | | \$4,228 |
| Montana | 18 | \$4,852 |
| Colorado | 19 | \$4,788 |
| Wyoming | 29 | \$4,4228 |
| Idaho | 31 | \$4,154 |
| Washington | 36 | \$3,898 |
| Oregon | 45 | \$3,381 |
| California | 50 | \$2,569 |

Source: CMS MSIS State Summary 2003

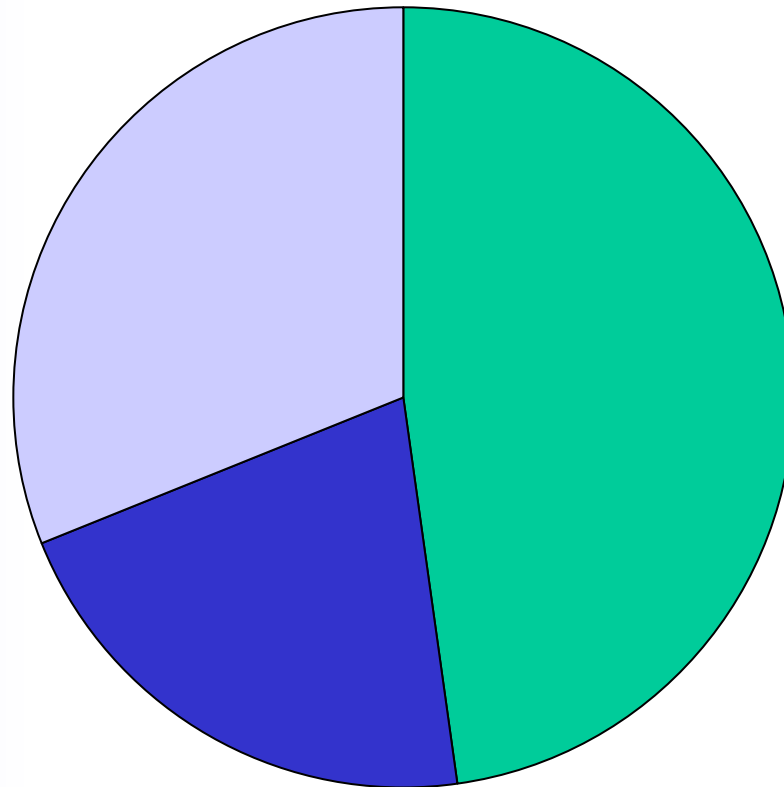
Major Revenue Sources Division of Medical Assistance Programs '07-'09



**\$4,411 million
Total Funds**



Major Other Funds Revenue Division of Medical Assistance Programs 07-'09



**\$767 million
Other Funds**

- Tobacco Tax
\$366 million**
- All Other
\$163 million**
- Provider Tax
\$238 Million**

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Family Health Insurance Assistance Program

Administered by Oregon's Office of
Private Health Partnerships

FHIAP's Mission

- Remove economic barriers to health insurance for uninsured Oregonians.
- Build on the private sector and encourage self-reliance through participation in and access to the health benefit system.

FHIAP Background

- Enacted July 1997
- State General Fund only
- First enrollments July 1998
- HB 2519 (2001) — OHP2 waiver
- Federal waiver to expand coverage implemented Nov. 2002

FHIAP Demographics

- **Employer-Sponsored Insurance or Group Market**
 - Almost half are children, the rest primarily spouses
 - Average age 24, median age 22
- **Individual Market**
 - Average age is 31, median age 32
 - Mostly healthy young adults, some children
- **Oregon Medical Insurance Pool**
 - Average age is 45, median age 48
 - Mostly women over 50 with chronic health conditions

FHIAP: Program Principles

- Targets low-income, uninsured Oregonians between 100-185% FPL.
 - However, 49% are below 100% FPL.
- Applicants must be uninsured for 6 months (except those leaving Medicaid).
- Emphasizes coverage for children
- All eligible children must have insurance coverage before an adult can use a subsidy.

FHIAP: Program Principles

- Removes economic barriers to health insurance
- Sets subsidy levels high enough to allow low-income families to afford both the premiums and cost-sharing of plan
 - Up to 125% FPL = 95% subsidy
 - 125-150% FPL = 90% subsidy
 - 150-170% FPL = 70% subsidy
 - 170-185% FPL = 50% subsidy
- Cost-sharing includes deductible, co-insurance and co-pays

FHIAP: Program Principles

- Uses private-sector insurance market and delivery system
- Members who have Employer-Sponsored Insurance (ESI) are required to take it if there is an employer contribution
- People without access to ESI can choose a qualified plan from one of 8 Individual market carriers.
- People turned down in individual market can go to Oregon Medical Insurance Pool (OMIP)
- Providers receive commercial reimbursement rates and don't know their clients are receiving FHIAP assistance

FHIAP Eligibility Criteria

- Reside in Oregon
- U.S. citizen or qualified non-citizen
- Uninsured for 6 months
- Investments and savings less than \$10,000
- Can't be eligible for Medicare
- Income under 185% FPL (\$3,184 for family of 4 in 2007)
- 12 months of eligibility

FHIAP Application Process

- Call toll-free Reservation List number
- Sent application when there's room in the program
- Complete and return application
- FHIAP staff determines eligibility
- Member enrolls in either employer's plan or individual market plan

FHIAP Billing and Payment Process

- Employer-Sponsored or Group Market —
 - Member's portion of the premium is withheld from paycheck.
 - Member sends copy of pay stub to FHIAP to verify deduction.
 - FHIAP reimburses member for subsidy portion of premium by check.
- Individual Market —
 - Carrier notifies FHIAP of enrollment and bills FHIAP for premium.
 - FHIAP bills member for their portion of premium.
 - Once received, FHIAP pays carrier full premium.

For questions, more info...

- **Office for Oregon Health Policy and Research**
 - jeanene.smith@state.or.us
- **Division of Medical Assistance Programs, Dept of Human Services**
 - jim.edge@state.or.us
- **Office of Private Health Partnerships –**
 - kelly.r.harms@state.or.us

Community Sponsored Clinics

...members of the safety net community

January 2008

Community-Sponsored Clinics

- The common feature among all of the Community Sponsored Clinics is that their primary support is from their local community in the form of grants and donations. They are mission-driven and community-based in their focus.

Characteristics

- Mission focused
- Financial support is local
- Volunteers keep them running
- Reflect neighborhood's needs & culture
- Faith Based
- Free Clinic Association



Oregon School-Based Health Care **Network**

Advancing access to quality health care for youth

Barriers to Health Care Access for Kids

- **Lack of Insurance**
 - 12.6% of Oregon's Kids are Uninsured (45% of SBHC clients are uninsured)
- **Transportation Challenges**
- **Distance to Provider**
- **Availability of Providers**
- **Parental Dilemma**
 - Work demands
 - Maintaining income
 - Taking child to doctor



SBHCs put health care where the kids are



Services in SBHCs

- **Quality primary health care**
 - routine physical exams
 - diagnosis and treatment of acute and chronic illness
 - treatment of minor injuries
 - and vision and dental screening
- **Prevention messages & health education**
 - i.e., obesity counseling and tobacco prevention
- **Mental health service**
 - grief therapy
 - help with peer pressure
 - bullying and suicide prevention

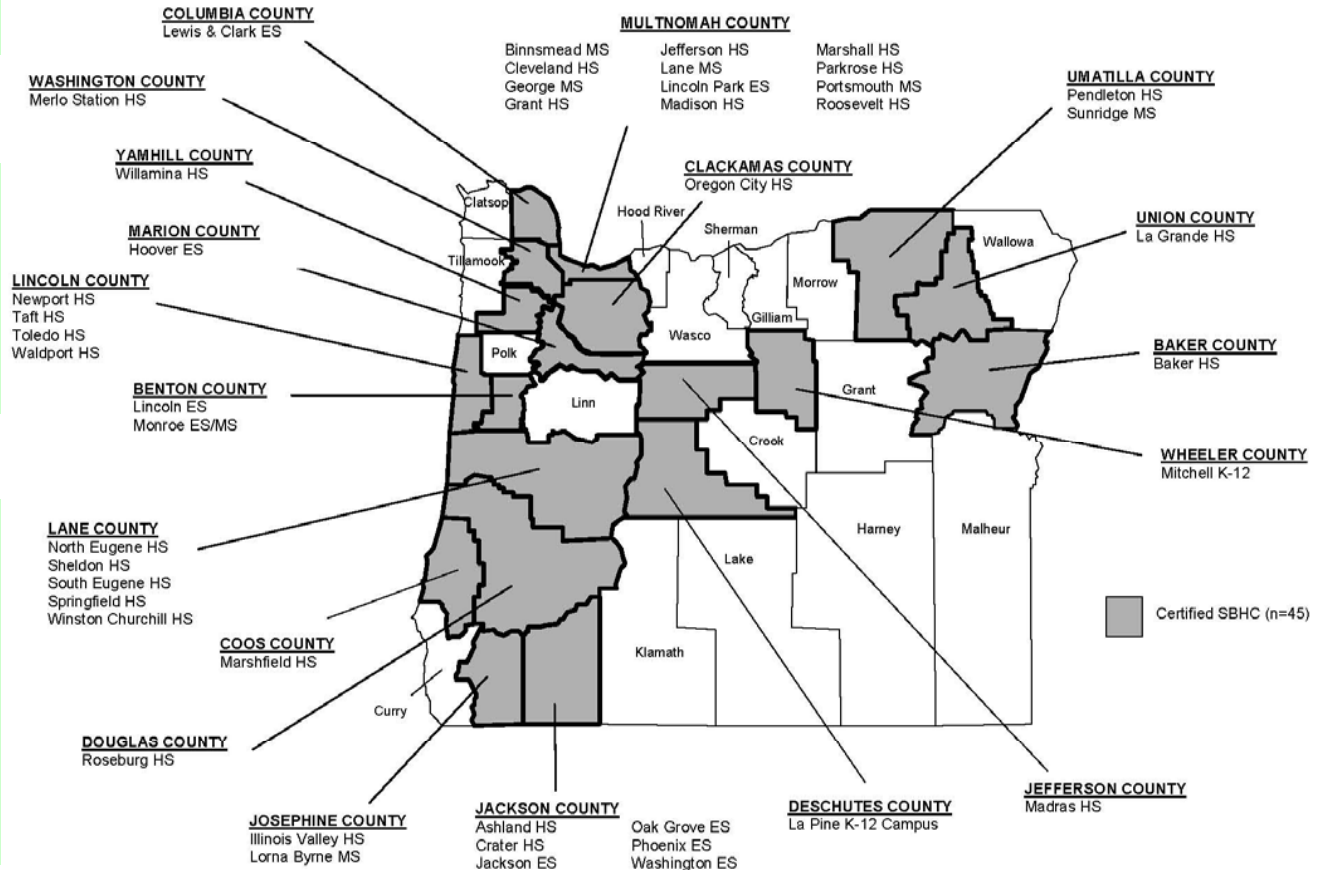
These services combined, decrease health disparities in the school population.

45 SBHCs in 19 Counties: 40,000 children have access to an SBHC

Nearly 21,000 unduplicated clients made 69,000 visits

17 Planning Grants awarded in 2007 which may expand services to a total of 24 counties

OREGON SCHOOL-BASED HEALTH CENTERS 2007



SBHCs are part of Oregon's Safety Net and provide health care regardless of family ability to pay



SBHCs keep kids healthy and ready to learn



Support Learning

- Studies show SBHCs reduce absenteeism, tardiness and school discipline problems

From an Oregon SBHC patient survey:

- 56 percent of students report NO class time missed while using the center
- 70 percent of students report that without the center they would have missed at least one class to go to a traditional clinic

SBHC Funding Challenges

- While the SBHC model of care is consistent, funding streams, medical sponsorship and management differ from site to site.
- The funding is fragile and resources are scarce.

Sources of revenue for SBHCs under FQHCs (23 centers)

- Billing & fees 43%
- County/city government 26%
- Federal funding 13%
- State funding 7%
- Grants 5%
- In-kind donations 3%
- Other 2%
- Fundraising 1%

Sources of revenue for SBHCs NOT under FQHCs (19 centers)

- Other 45%
- State funding 25%
- Grants 12%
- In-kind donations 7%
- Billing & fees 5%
- County/city government 5%
- Fundraising 1%

Data: Department of Human Service/Office of Family Health/Adolescent Health/SBHC

Strategic Reform Targets

SBHCs deliver efficient and high quality care.

This model of care requires:

- Policies that support, improve and expand access for children's health care
- Stable and diverse funding streams that adequately support the delivery of this care